

**UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS**

Regulatory Basis Financial Statement and
Independent Auditors' Report with
Regulatory Required Supplemental Information
For the Fiscal Year Ended June 30, 2014

Diehl Banwart Bolton

Certified Public Accountants PA

November 25, 2014

COMMUNICATIONS OF INTERNAL CONTROL ISSUES AND OTHER AUDIT MATTERS TO THE BOARD OF EDUCATION

The Board of Education
Unified School District #235
Uniontown, Kansas 66779

We are pleased to present this report related to our audit of the regulatory basis financial statement of Unified School District #235, Uniontown, Kansas as of and for the fiscal year ended June 30, 2014. This report summarizes certain matters required by professional auditing standards to be communicated to you in your oversight responsibility for the District's financial reporting process. This report is intended for the information and use of the Board of Education and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report.

COMMUNICATION OF INTERNAL CONTROL ISSUES

In planning and performing our audit of the financial statement of Unified School District #235 as of and for the fiscal year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as described above.

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A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the District's internal control to be a significant deficiency.

PREPARATION OF FINANCIAL STATEMENT

It is the responsibility of management of the District to prepare the District's financial statement and the related notes to the financial statement. It is not uncommon for our firm to assist entities in the preparation of their financial statement. We often prepare significant adjustments as well as assist the District to determine which disclosures are required. As is the case with many entities of your size, your accounting staff does not have the skills and training necessary to prepare a complete set of financial statements, including footnote disclosures, in accordance with the statutory basis of accounting. Under our professional auditing standards, we are allowed to perform these services as part of our audit. However, we are required to report this as a significant deficiency in internal control.

It is important to note that relying on us, as your auditor, to identify material misstatements in your financial statement and correct them before the audited financial statement is issued, does not eliminate a significant deficiency or material weakness. Simply stated, if you are unable to prepare the financial statement and all the required disclosures without auditor assistance we are required to report this under our professional standards.

OTHER INTERNAL CONTROL ISSUES

The following internal control issues are not serious enough to be called significant deficiencies or material weaknesses, but do merit the attention of the governing board and management:

SCHOOL ACTIVITY FUNDS

The Kansas Department of Education has issued "Guidelines for School Activities Funds" which discuss the use of activity funds at a school and the accounting procedures and internal controls that should be in effect. The Board of Education is responsible for adopting and enforcing policies within the directive of these guidelines. We feel that it is necessary to comment on certain items in these guidelines relating to activity funds.

A weakness in internal controls occurs when one person is involved in all aspects of the accounting process, such as receipt of cash, preparing bank deposits, reconciling the bank account to the ledger books, and preparing cash payments. Usually the Activity Fund Treasurer is involved in all aspects of the accounting process for activity funds. Accordingly, there is a weakness in accounting controls over Activity Funds. This is a potential problem at your school District and all school Districts audited by our firm. Accordingly, we annually make the following suggestions to the School Board:

Due to this weakness, adequate oversight of the activity funds is essential. Your District appears to be doing many of the control features we address in this paragraph, but are simply making these comments to emphasize the importance of strong internal controls involving activity funds. The Board should continue to emphasize the importance of the oversight of the Activity Funds by the School Principal as well as the teacher sponsors of the various student organizations. The School Principal should closely review the monthly financial statement prepared by the Activity Fund Treasurer. All purchase orders to be paid by Activity Funds should be reviewed by the School Principal. The Activity Fund Treasurer should also provide a copy of the monthly financial statement to the teacher sponsors of each student organization. The various teacher sponsors should place emphasis on the review of the statements. Teacher sponsors should keep copies of receipts for money turned into the Treasurer and money expended during the month, and

should compare these numbers to the amounts shown in the monthly Activity Fund Report. Any questions by the teacher sponsors should be directed to the Principal and the Activity Fund Treasurer. The general rule is that the more people involved in the oversight of the Activity Funds, the less of the chance of any accounting improprieties to occur. The use of a "stamp" to sign the principal's name should be strongly discouraged.

The Activity Fund Treasurer should be provided a copy of the "Guidelines for School Activities Funds" issued by the Kansas Department of Education. The Treasurer should be told each year to review the "Guidelines" and follow the internal controls mentioned, such as the use of pre-numbered receipts, all receipts should be deposited intact, and expenses should be supported by invoices detailing the items purchased. The Board should also ensure that the Activity Fund Treasurers are adequately bonded. That is, if money is deemed to be missing in the Activity Funds, insurance should be adequate to cover any amounts missing. It is our understanding that the Activity Fund Treasurers are covered by the District's insurance. I am sure that your insurance agent would be glad to review each Activity Fund to determine if insurance coverage is adequate.

We would like to point out that preceding comments are not unique to Unified School District #235 or to most School Activity Funds, which we audit. In our audits of various schools, we frequently observe a lack of strict compliance with the guidelines for School Activity Funds as well as weaknesses in internal controls in this area. There was no evidence of wrongdoing or misappropriation of activity funds for the School District. We felt that this year we should contact the schools, which we audit in order to point out any non-compliance with the guidelines for School Activities Funds as well as the inherent weakness in internal controls over activity funds.

SEPARATION OF DUTIES

An internal control structure is, quite simply, the procedures in effect to insure that funds are properly received, disbursed, and recorded in the accounting record. The essential control feature in a well designed internal control structure is to provide for adequate separation of duties. This means that, to the extent possible, the following functions should be performed by separate individuals:

- Authorization of transactions
- Recording or accounting for transactions
- Custody of or control over the assets
- Reconciliation or review of the work performed

A weakness in the control structure occurs when one person is or can potentially be involved in all of the accounting activities such as preparation of bills, maintenance of accounting records, and receipts of cash. In the case of Unified School District #235, the Clerk is involved in all of these accounting functions, resulting in a weakness in internal controls. The Clerk prepares the bank reconciliation for the District. There are mitigating controls used at the District to improve controls, such as involvement by the Superintendent and Accounts Payable Clerk, and thus we believe that this weakness is not a material weakness or significant deficiency. However, we do make the following recommendations to the Board to strengthen internal controls.

- All expense checks should be approved by the Superintendent and prepared by the Accounts Payable Clerk. The Clerk should not be able to write expense checks without the direct involvement of a second person.
- All payroll checks should be closely reviewed by a second person each payroll.
- The Clerk can continue to prepare the monthly bank reconciliations, but there, again, should be a close review of the reconciliation by the Treasurer or a second person.

Although I believe that these actions are currently taking place, we want to emphasize the importance of having a second person involved in the preceding accounting areas.

I want to point out that we noticed no evidence of any improper activity by the Clerk in connection with our audit. In fact, the accounting records were maintained very well. We believe that it is important to have strong internal controls in place to ensure continued good accounting records, and to have procedures in place in the unlikely event that the Clerk or any other person involved in the accounting process is replaced due to a job change, illness, or even death.

OTHER REQUIRED COMMUNICATIONS

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter dated October 31, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District's significant accounting policies are discussed in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

Management's Judgments and Accounting Estimates

Accounting estimates normally are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. There are no significant accounting estimates by the District due to the simple accounting method with the statutory basis of accounting.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures in these financial statements.

Difficulties Encountered in Performing the Audit

We are pleased to inform you that we encountered no significant difficulties in dealing with management and in performing or completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We are pleased to tell you that we did not make any significant adjustments to the accounting records maintained by the Clerk and board office except for the normal adjustments made every year: to include accounting activity from the scholarship and activity funds, and to add back to cash and record a related payable amount for July and August payroll checks written but unissued at June 30.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 25, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principle and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This report is intended solely for the information and use of the School District. We would be glad to further discuss any of the items in this letter with you. If you should have any questions concerning the management letter, the audit, or any other matter, please feel free to contact me.

Very truly yours,

DIEHL, BANWART, BOLTON, CPAs PA



Terence L. Sercer
Certified Public Accountant

USD 235, UNIONTOWN, KANSAS
 SCHEDULE OF ADJUSTING JOURNAL ENTRIES
 Adjusting Journal Entries.123
 JUNE 30, 2014

PREPARED BY _____

DATE: 26-Nov-14
 TIME: 09:01 AM

REVIEWED BY _____

<u>FUND</u>	<u>ACCOUNT</u>	<u>ACCOUNT #</u>	<u>DEBIT</u>	<u>CREDIT</u>
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THERE ARE NO ADJUSTING JOURNAL ENTRIES THAT NEED TO BE RECORDED BY THE DISTRICT.

RECLASSIFICATIONS WERE MADE TO THE DISTRICT'S ACCOUNTING RECORDS AS FOLLOWS:

R-1

TO RECLAS STATE AID TO AGREE WITH CONFIRMATION FROM THE STATE

GENERAL	SPECIAL EDUCATION AID		366,636.00
GENERAL	GENERAL STATE AID	366,636.00	
FOOD SERVICE FUND	FEDERAL AID		14,777.09
FOOD SERVICE FUND	STATE AID	14,777.09	

R-2

NOT USED THIS FISCAL YEAR

R-3

TO ADD TO THE ACCOUNTING RECORDS THE ACTIVITY IN THE BENNET SCHOLARSHIP
 ACCOUNTS AND THE SCHOOL ACTIVITY FUND ACCOUNTS.

BENNETT SCHOLARSHIP	CASH IN BANK / FUND BALANCE	56,311.53	56,311.53
HIGH SCHOOL ACTIVITY	CASH IN BANK / FUND BALANCE	37,330.96	37,330.96
WBE ACTIVITY FUNDS	CASH IN BANK / FUND BALANCE	4,875.63	4,875.63

R-4

TO ADD BACK TO CASH AND RECORD ACCOUNTS PAYABLE FOR UNISSUED CHECKS

VARIOUS FUNDS	CASH IN BANK / ACCOUNTS PAYABLE	425,846.86	425,846.86
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R-5

TO RECLASS PROFESSIONAL DEVELOPMENT EXPENSES BACK TO GENERAL FUND
 & REDUCE THE TRANSFER FROM GENERAL TO THE PROF DEVELOPMENT FUND

PROFESSIONAL DEVELOP	RECEIPT-TRANSFER IN FROM GENERAL	1,458.33	
PROFESSIONAL DEVELOP	EXPENSES-INSTRUCTIONAL SUPPORT		1,458.33
GENERAL FUND	EXPENSE-TRANSFER OUT TO PROF DEVEL		1,458.33
GENERAL FUND	EXPENSES-INSTRUCTIONAL SUPPORT	1,458.33	

R-6

TITLE I FUND	EXPENSES	2,273.11	
TITLE I FUND	ENCUMBRANCE/PO		2,273.11

TO ENCUMBER BALANCE IN THE TITLE I FUND TO AGREE WITH THE LCP REVISIONS AND
 CARRYOVER FOR THE TITLE I FUND

910,967.84	910,967.84
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**UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS**

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Diehl Banwart Bolton

Certified Public Accountants P.A.

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District #235
Uniontown, Kansas 66779

We have audited the accompanying Summary Statement of Receipts, Expenditures, and Unencumbered Cash, Regulatory Basis, of Unified School District #235, Uniontown, Kansas as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statement, which comprises the financial statement of the District as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstance. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraphs, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District #235, Uniontown, Kansas as of June 30, 2014 or changes in financial position or cash flows thereof for the fiscal year then ended.

Unqualified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance for Unified School District #235, Uniontown, Kansas as of June 30, 2014, and the aggregate receipts and expenditures for the fiscal year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Summary Statement of Receipts, Expenditures, and Unencumbered Cash Balance – Regulatory Basis (basic financial statement) as a whole. The Summary of Expenditures – Actual and Budget – Regulatory Basis; individual fund Schedules of Receipts and Expenditures – Actual and Budget – Regulatory Basis; Summary of Receipts and Disbursements – Agency Funds – Regulatory Basis; and Schedule of Receipts, Expenditures and Unencumbered Cash, District Agency Funds – Regulatory Basis (Schedules 1 through 4 as listed in the table of contents) are presented for analysis and is not a required part of the basic financial statement. However, the supplemental information is required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.



DIEHL, BANWART, BOLTON, CPAs PA

November 25, 2014
Fort Scott, Kansas

**UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS**

**Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis
For the Fiscal Year Ended June 30, 2014**

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add	
					Encumbrances and Accounts Payable	Ending Cash Balance June 30, 2014
General Funds						
General	\$ 81.28	\$ 3,635,736.92	\$ 3,635,737.00	\$ 81.20	\$ 249,109.91	\$ 249,191.11
Supplemental General	8,249.76	946,169.07	899,899.70	54,519.13	20,169.66	74,688.79
Special Purpose Funds						
4 Year Old At Risk	6,559.68	33,000.00	37,989.54	1,570.14	6,827.94	8,398.08
K - 12 At Risk	65,593.94	428,276.00	444,543.94	49,326.00	77,980.94	127,306.94
Bilingual Education	2,286.58	-	-	2,286.58	-	2,286.58
Special Capital Outlay	283,532.25	14,344.90	32,896.35	264,980.80	-	264,980.80
Driver Training	6,354.09	4,660.00	3,629.30	7,384.79	385.00	7,769.79
Food Service	65,162.41	252,159.67	258,677.98	58,644.10	19,590.10	78,234.20
Professional Development	1,201.81	5,747.67	-	6,949.48	-	6,949.48
Special Education	109,874.37	504,149.19	578,779.57	35,243.99	3,071.10	38,315.09
Vocational Education	40,106.72	157,475.00	141,658.13	55,923.59	10,830.22	66,753.81
Gifts and Grants	139,122.31	237,189.97	213,879.56	162,432.72	12,885.99	175,318.71
KPERS Retirement	-	301,243.19	301,243.19	-	-	-
Contingency Reserve	299,081.06	113,525.00	121,187.46	291,418.60	-	291,418.60
Title I	3,651.63	124,922.00	119,572.63	9,001.00	22,190.46	31,191.46
Title II A Teacher Quality	-	28,789.00	28,789.00	-	5,078.65	5,078.65
Gate Receipts	(2,551.33)	23,332.91	21,422.45	(640.87)	-	(640.87)
Bond and Interest Fund						
Bond and Interest	149,544.03	118,826.58	160,270.00	108,100.61	-	108,100.61
FIDUCIARY TYPE FUNDS						
Expendable Trust Funds						
Bennett Memorial Scholarship	58,510.67	306.04	2,505.18	56,311.53	-	56,311.53
Total Reporting Entity (Excluding Agency Funds)	\$ 1,236,361.26	\$ 6,929,853.11	\$ 7,002,680.98	\$ 1,163,533.39	\$ 428,119.97	\$ 1,591,653.36

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	Ending
	Cash Balance
	June 30, 2014
Composition of Cash	
Board Checking Account	\$ 1,333,882.70
Activity Checking Accounts	42,206.59
Memorial Accounts	56,311.53
Petty cash	2,100.00
Certificates of Deposit	200,000.00
Total Cash	1,634,500.82
Agency Funds Per Schedule 3	(42,847.46)
Total Reporting Entity	<u>\$ 1,591,653.36</u>

The notes to the financial statement are an integral part of this statement.

**UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT
For the Fiscal Year Ended June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement of Unified School District #235, Uniontown, Kansas, has been prepared in accordance with the State of Kansas regulatory basis of accounting for Kansas Municipalities, and is designed to show compliance with the cash basis and budget laws of the State of Kansas. The *Kansas Municipal Audit and Accounting Guide* (KMAAG), as approved by the director of the Kansas Division of Accounts and Reports, establishes the guidelines for the regulatory basis of accounting in the state of Kansas. Note 1 also describes how the District's accounting policies differ from U.S. generally accepted accounting policies.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Unified School District #235, Uniontown, Kansas (the municipality) and related municipal entities. Management has determined that there are no related municipal activities that are or should be included in this financial statement.

Basis of Presentation - Fund Accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of the District:

REGULATORY BASIS FUNDS

General Funds – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies and transfers from other funds to be used for the payment of general long-term debt.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)
Basis of Presentation - Fund Accounting - (Continued)

Trust Funds – funds used to report assets held by the District for the benefit of the reporting entity.

Agency Funds – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Regulatory Basis of Accounting and Departures from Accounting Principles Generally Accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), and bond and interest funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding fiscal year on or before August 1.
2. Publication in the local newspaper of the proposed budget and a notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after the publication of a notice of hearing.
4. Adoption of the final budget on or before August 25.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)
Budgetary Information (Continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budgets amended during the fiscal year. The District decreased the General Fund budget to the legal maximum budget in accordance with Kansas Statutes due to final enrollment lower than the amount budgeted.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances. Encumbrances are commitments of the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds and the following special purpose funds:

- Grant Fund (K.S.A. 72-8210)
- Federal Funds (K.S.A. 12-1663)
- Contingency Reserve Fund (K.S.A. 72-6426)

Spending in funds, which are not subject to the legal annual operating budget requirement, is controlled by federal regulations, other statutes or by the use of internal spending limits established by the governing body.

Qualifying Budget Credits

Expenditures in various funds include expenditures not subject to the budget laws of the State of Kansas, which include reimbursed expenses and grant expenditures.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)
Qualifying Budget Credits (Continued)

Expenditures in the General Fund include expenditures in connection with reimbursements and/or grants received by the District. These are reimbursement type grants whereby grant money is received to reimburse the District for actual grant expenditures paid. These expenditures are similar to reimbursed expenses as discussed in the preceding paragraph.

Deposits and Investments

Deposits and investments include money market checking accounts and certificates of deposit. Kansas statutes permit investment in money market checking accounts, savings accounts, certificates of deposit, repurchase agreements, and obligations of the U.S. Treasury.

Compensated Absences

All regular full-time non-certified employees are eligible for vacation benefits. Employees are not allowed to accumulate and carry forward vacation benefits past their anniversary date.

Employees accrue sick leave at the rate of 6 days per year to a maximum of ninety days for certified employees and sixty days for classified employees. Certified, full-time employees will be paid for accumulated sick leave upon separation from the District, which will include retirement, disability, reduction in force, or death. Certified employees payment will be at \$35.00 per day. Classified employees will be reimbursed for unused sick leave days upon KPERs retirement or death. Classified employees payment will be at \$12.50 per day.

The District accrues a liability for compensated absences, which meet the following criteria:

1. The District's obligation relating to the employee's right to receive compensation for future absences is attributable to employee's services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material to the financial statements.

In accordance with this criteria, the District has accrued a liability for sick pay totaling \$22,499 which has been earned but not taken by District employees.

Termination and Post Employment Benefits

The District maintains a 403(b) retirement plan for eligible employees. The District makes up to \$300 in matching contributions for employees that defer salary. In addition the District makes contributions ranging from \$200 to \$450 for certified staff. These contributions are based on the number of years of service. For the year ended June 30, 2014, \$33,570 was contributed under the plan.

Participation in Group Health Insurance Plan

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)
Participation in Group Health Insurance Plan (Continued)

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Compliance with Kansas Statutes

The financial statement and regulatory required supplemental schedules are prepared in order to show compliance with the cash basis and budget laws of Kansas. The District was in apparent compliance with the cash basis and budget laws of Kansas.

3. **CASH IN BANK AND DEPOSITORY SECURITY**

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

3. **CASH IN BANK AND DEPOSITORY SECURITY** (Continued)

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2014.

At June 30, 2014 the District's carrying amount of deposits was \$1,634,500.82 and the bank balance was \$1,378,867.10. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$259,857.51 was covered by federal depository insurance, \$1,119,009.59 was collateralized with securities held by the pledging financial institutions' agents in the District's name. The fair value of the pledged securities was \$1,571,826.23.

4. **PENSION PLAN**

Plan description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law established the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employer share. These payments are shown in the KPERS Retirement Fund in the financial statement.

5. **RELATED PARTIES**

The District's demand and time deposits are at the only bank in the District. The District's treasurer is also president of the bank.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The District continues to carry commercial insurance for these risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

7. CONTINGENCIES

In the normal course of operations, the District participates in various federal or state grant programs from year to year. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

8. INTERFUND TRANSFERS

<u>FROM</u>	<u>TO</u>	<u>STATUTORY AUTHORITY</u>	<u>AMOUNT</u>
General	4 Year Old at Risk	K.S.A. 72-6428	\$ 1,900.00
General	K-12 At Risk	K.S.A. 72-414a	236,900.00
General	Special Capital Outlay	K.S.A. 72-6428	999.03
General	Special Education	K.S.A. 72-6428	414,500.00
General	Vocational Education	K.S.A. 72-6428	35,000.00
General	Professional Development	K.S.A. 72-6428	4,441.67
General	Contingency Reserve	K.S.A. 72-6426	113,525.00
Supplemental General	Four Year Old At Risk	K.S.A. 72-6433	31,100.00
Supplemental General	K-12 At Risk	K.S.A. 72-6433	191,376.00
Supplemental General	Professional Development	K.S.A. 72-6433	1,306.00
Supplemental General	Food Service	K.S.A. 72-6433	2,670.00
Supplemental General	Special Education	K.S.A. 72-6433	68,191.00
Supplemental General	Vocational Education	K.S.A. 72-6433	122,475.00

9. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$298,765 subsequent to June 30, 2014 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2014

10. SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to June 30, 2014 through November 25, 2014, the date the financial statement was available for issue. During this period, there were no subsequent events requiring recognition in the financial statement or disclosure in the notes to the financial statement.

11. LONG-TERM OBLIGATIONS

Details about the District's long-term obligations, changes in long term debt, and current maturities for the next five years and thereafter are recorded on the following two pages:

11. LONG TERM OBLIGATIONS

Schedule of Changes in Long-Term Obligations

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of		Balances Beginning of Year	Additions / New Debt	Reductions / Principal Paid	Balances End of Year	Interest Paid
				Final Maturity	Year					
General Obligation Bonds										
School Building Bonds										
Series 2008	4.10-5.00%	5/12/2008	\$1,420,000	9/1/2019	\$	985,000	\$ -	\$ 125,000	\$ 860,000	\$ 35,270
QZAB Bonds	0.00%	1/1/2005	842,000	1/28/2015		155,878	-	77,939	77,939	N/A
Lease Purchases										
Toyota Vehicle	0.00%	8/13/2010	22,189	8/13/2013		2,465	-	2,465	-	-
2012 Ford Flex	5.00%	9/6/2012	28,891	9/6/2014		18,787	-	9,164	9,623	939
					\$	\$1,162,131	\$ -	\$ 214,569	\$ 947,562	\$ 36,209

11. LONG TERM OBLIGATIONS (Continued)

Schedule of Maturities of Long-Term Obligations

Issue	2015	2016	2017	2018	2019	2020-2024	Totals
Principal Payments							
General Obligation Bonds							
School Building Bonds							
Series 2008	\$ 130,000	\$ 135,000	\$ 140,000	\$ 145,000	\$ 150,000	\$ 160,000	\$ 860,000
QZAB Bonds	77,939	-	-	-	-	-	77,939
Lease Purchases							
2012 Ford Flex	9,623	-	-	-	-	-	9,623
Total Principal Payments	\$ 217,562	\$ 135,000	\$ 140,000	\$ 145,000	\$ 150,000	\$ 160,000	\$ 947,562
Interest Payments							
General Obligation Bonds							
School Building Bonds							
Series 2008	\$ 30,430	\$ 25,660	\$ 20,570	\$ 15,155	\$ 9,400	\$ 3,200	\$ 104,415
QZAB Bonds	-	-	-	-	-	-	-
Lease Purchases							
2012 Ford Flex	481	-	-	-	-	-	481
Total Interest Payments	\$ 30,911	\$ 25,660	\$ 20,570	\$ 15,155	\$ 9,400	\$ 3,200	\$ 104,896
Total Payments	\$ 248,473	\$ 160,660	\$ 160,570	\$ 160,155	\$ 159,400	\$ 163,200	\$ 1,052,458

**UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS**

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

For the Fiscal Year Ended June 30, 2014

UNIFIED SCHOOL DISTRICT #235

UNIONTOWN, KANSAS

Summary of Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

Funds	Certified Budget	Adjustment to Comply with Legal Maximum	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures		Variance - Over (Under)
					Chargeable to Current Year Budget		
General Funds							
General	\$ 3,690,237.00	\$ (54,500.00)	\$ -	\$ 3,635,737.00	\$ 3,635,737.00	\$ -	\$ -
Supplemental General (LOB)	899,900.00	-	-	899,900.00	899,899.70	(0.30)	(0.30)
Special Purpose Funds							
4 Year Old At Risk	40,410.00	-	-	40,410.00	37,989.54	(2,420.46)	(2,420.46)
K - 12 At Risk	468,787.00	-	-	468,787.00	444,543.94	(24,243.06)	(24,243.06)
Bilingual Education	9,843.00	-	-	9,843.00	-	(9,843.00)	(9,843.00)
Special Capital Outlay	282,000.00	-	-	282,000.00	32,896.35	(249,103.65)	(249,103.65)
Driver Training	10,110.00	-	-	10,110.00	3,629.30	(6,480.70)	(6,480.70)
Food Service	315,354.00	-	-	315,354.00	258,677.98	(56,676.02)	(56,676.02)
Professional Development	-	-	-	-	-	-	-
Special Education	620,015.00	-	-	620,015.00	578,779.57	(41,235.43)	(41,235.43)
Vocational Education	175,793.00	-	-	175,793.00	141,658.13	(34,134.87)	(34,134.87)
KPERS Contribution	332,638.00	-	-	332,638.00	301,243.19	(31,394.81)	(31,394.81)
Bond and Interest Fund							
Bond and Interest	160,270.00	-	-	160,270.00	160,270.00	-	-
	\$ 7,005,357.00			\$ 6,950,857.00	\$ 6,495,324.70		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	Current Year		Variance - Over (Under)
	Actual	Budget	
Receipts			
Local Sources			
Ad Valorem property tax	\$ 240,757.75	\$ 215,276.00	\$ 25,481.75
Delinquent tax	10,584.17	9,400.00	1,184.17
Other	-	-	-
State Sources			
General aid	3,017,759.00	3,021,879.00	(4,120.00)
Special Education	366,636.00	443,600.00	(76,964.00)
Other state aid	-	-	-
Total Receipts	<u>3,635,736.92</u>	<u>\$ 3,690,155.00</u>	<u>\$ (54,418.08)</u>
Expenditures			
Instruction	1,847,980.02	\$ 1,898,805.00	\$ (50,824.98)
Support Services			
Student Support	33,368.76	31,301.00	2,067.76
Instructional Support	10,316.99	8,800.00	1,516.99
General Administration	126,824.18	125,673.00	1,151.18
School Administration	205,111.30	211,687.00	(6,575.70)
Operations and Maintenance	302,323.42	316,256.00	(13,932.58)
Transportation	254,120.26	274,519.00	(20,398.74)
Other Supplemental Service	48,426.37	46,446.00	1,980.37

**UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	Current Year		Variance - Over (Under)
	Actual	Budget	
Expenditures (Continued)			
Operating Transfers to Other Funds			
4 Year Old At Risk	\$ 1,900.00	\$ 1,900.00	\$ -
K - 12 At Risk	236,900.00	236,900.00	-
Bilingual Education	-	3,300.00	(3,300.00)
Special Capital Outlay	999.03	6,200.00	(5,200.97)
Food Service	-	6,200.00	(6,200.00)
Professional Development	4,441.67	-	4,441.67
Special Education	414,500.00	478,650.00	(64,150.00)
Vocational Education	35,000.00	35,000.00	-
Contingency Reserve	113,525.00	8,600.00	104,925.00
Adjustment to Comply with Legal Maximum Budget	-	(54,500.00)	54,500.00
Legal General Fund Budget	3,635,737.00	3,635,737.00	
Adjustments to Budget			
Grants and Reimbursed Expenditures	-	-	-
Total Expenditures	3,635,737.00	\$ 3,635,737.00	\$ -
Receipts Over(Under) Expenditures	(0.08)		
Unencumbered Cash, Beginning	81.28		
Unencumbered Cash, Ending	\$ 81.20		

**UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
SUPPLEMENTAL GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	Current Year		Variance - Over (Under)
	Actual	Budget	
Receipts			
Local Sources			
Ad Valorem property tax	\$ 323,418.92	\$ 286,299.00	\$ (37,119.92)
Delinquent tax	14,831.21	12,413.00	(2,418.21)
County Sources			
Motor vehicle tax	54,744.94	47,952.00	(6,792.94)
State Sources			
General aid	503,174.00	494,925.00	(8,249.00)
Local Sources			
Other	50,000.00	50,000.00	-
Total Receipts	<u>\$ 946,169.07</u>	<u>\$ 891,589.00</u>	<u>\$ (54,580.07)</u>
Expenditures			
Instruction	\$ 30,419.72	\$ 107,000.00	\$ (76,580.28)
Support Services			
Student Support	71,090.11	63,542.00	7,548.11
Instructional Support	61,000.90	62,250.00	(1,249.10)
General Administration	58,145.60	59,477.00	(1,331.40)
Operations and Maintenance	182,728.37	175,990.00	6,738.37
Transportation	79,397.00	-	79,397.00
Operating Transfers to Other Funds			
4 Year Old At Risk	31,100.00	32,000.00	(900.00)
K - 12 At Risk	191,376.00	204,900.00	(13,524.00)
Bilingual Education	-	5,650.00	(5,650.00)
Food Service	2,670.00	2,900.00	(230.00)
Professional Development	1,306.00	-	1,306.00
Special Education	68,191.00	68,191.00	-
Vocational	122,475.00	118,000.00	4,475.00
Total Expenditures	<u>\$ 899,899.70</u>	<u>\$ 899,900.00</u>	<u>\$ (0.30)</u>
Receipts Over(Under) Expenditures	46,269.37		
Unencumbered Cash, Beginning	8,249.76		
Unencumbered Cash, Ending	<u>\$ 54,519.13</u>		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
4 YEAR OLD AT RISK FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	Current Year		Variance - Over (Under)
	Actual	Budget	
Receipts			
Operating Transfer from General Fund	\$ 1,900.00	\$ 1,900.00	\$ -
Supplemental General Fund	31,100.00	32,000.00	(900.00)
Total Receipts	<u>33,000.00</u>	<u>\$ 33,900.00</u>	<u>\$ (900.00)</u>
Expenditures			
Instruction	<u>37,989.54</u>	<u>\$ 40,410.00</u>	<u>\$ (2,420.46)</u>
Total Expenditures	<u>37,989.54</u>	<u>\$ 40,410.00</u>	<u>\$ (2,420.46)</u>
Receipts Over(Under) Expenditures	(4,989.54)		
Unencumbered Cash, Beginning	<u>6,559.68</u>		
Unencumbered Cash, Ending	<u>\$ 1,570.14</u>		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
K - 12 AT RISK FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	Current Year		Variance - Over (Under)
	Actual	Budget	
Receipts			
Operating Transfer from			
General Fund	\$ 236,900.00	\$ 236,900.00	\$ -
Supplemental General Fund	191,376.00	204,900.00	(13,524.00)
Total Receipts	<u>428,276.00</u>	<u>\$ 441,800.00</u>	<u>\$ (13,524.00)</u>
Expenditures			
Instruction	385,866.65	\$ 408,825.00	\$ (22,958.35)
Student Support Services	<u>58,677.29</u>	<u>59,962.00</u>	<u>(1,284.71)</u>
Total Expenditures	<u>444,543.94</u>	<u>\$ 468,787.00</u>	<u>\$ (24,243.06)</u>
Receipts Over(Under) Expenditures	(16,267.94)		
Unencumbered Cash, Beginning	<u>65,593.94</u>		
Unencumbered Cash, Ending	<u>\$ 49,326.00</u>		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
BILINGUAL EDUCATION FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	Current Year		Variance - Over (Under)
	Actual	Budget	
Receipts			
Operating Transfer from			
General Fund	\$ -	\$ 3,300.00	\$ (3,300.00)
Supplemental General Fund	-	5,650.00	(5,650.00)
Total Receipts	-	\$ 8,950.00	\$ (8,950.00)
Expenditures			
Instruction	-	\$ 9,843.00	\$ (9,843.00)
Total Expenditures	-	\$ 9,843.00	\$ (9,843.00)
Receipts Over(Under) Expenditures	-		
Unencumbered Cash, Beginning	2,286.58		
Unencumbered Cash, Ending	\$ 2,286.58		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
DRIVER TRAINING FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	Current Year		Variance - Over (Under)
	Actual	Budget	
Receipts			
Local Sources			
Other	\$ 3,300.00	\$ 1,500.00	\$ 1,800.00
State Sources			
State safety aid	1,360.00	2,300.00	(940.00)
Total Receipts	<u>4,660.00</u>	<u>\$ 3,800.00</u>	<u>\$ 860.00</u>
Expenditures			
Instruction	2,718.28	\$ 9,210.00	\$ (6,491.72)
Vehicle Operating Services	911.02	900.00	11.02
Total Expenditures	<u>3,629.30</u>	<u>\$ 10,110.00</u>	<u>\$ (6,480.70)</u>
Receipts Over(Under) Expenditures	1,030.70		
Unencumbered Cash, Beginning	<u>6,354.09</u>		
Unencumbered Cash, Ending	<u>\$ 7,384.79</u>		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
FOOD SERVICE FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	Current Year		Variance - Over (Under)
	Actual	Budget	
Receipts			
Local Sources			
Sales of food	\$ 62,930.43	\$ 63,659.00	\$ (728.57)
Other	578.77	36,000.00	(35,421.23)
State Sources			
State aid	2,612.82	2,276.00	336.82
Federal Sources			
School lunch and breakfast program	174,814.01	157,960.00	16,854.01
Other Federal grants	8,553.64	7,000.00	1,553.64
Operating Transfer from			
General Fund	-	6,200.00	(6,200.00)
Supplemental General Fund	2,670.00	2,900.00	(230.00)
Total Receipts	<u>252,159.67</u>	<u>\$ 275,995.00</u>	<u>\$ (23,835.33)</u>
Expenditures			
Food Service Operations	<u>258,677.98</u>	<u>\$ 315,354.00</u>	<u>\$ (56,676.02)</u>
Total Expenditures	<u>258,677.98</u>	<u>\$ 315,354.00</u>	<u>\$ (56,676.02)</u>
Receipts Over(Under) Expenditures	(6,518.31)		
Unencumbered Cash, Beginning	<u>65,162.41</u>		
Unencumbered Cash, Ending	<u>\$ 58,644.10</u>		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
PROFESSIONAL DEVELOPMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	Current Year		Variance - Over (Under)
	Actual	Budget	
Receipts			
Operating Transfer from Other Funds			
General	\$ 4,441.67	\$ -	\$ 4,441.67
Supplemental General	1,306.00	-	1,306.00
Total Receipts	<u>5,747.67</u>	<u>\$ -</u>	<u>\$ 5,747.67</u>
Expenditures			
Instructional Support	-	\$ -	\$ -
Total Expenditures	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over(Under) Expenditures	5,747.67		
Unencumbered Cash, Beginning	<u>1,201.81</u>		
Unencumbered Cash, Ending	<u>\$ 6,949.48</u>		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
SPECIAL EDUCATION FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	Current Year		Variance - Over (Under)
	Actual	Budget	
Receipts			
Local Sources			
Other	\$ 21,458.19	\$ -	\$ 21,458.19
Operating Transfer from Other Funds			
General Fund	414,500.00	478,650.00	(64,150.00)
Supplemental General Fund	68,191.00	68,191.00	-
Total Receipts	<u>504,149.19</u>	<u>\$ 546,841.00</u>	<u>\$ (42,691.81)</u>
Expenditures			
Instruction	551,952.31	\$ 589,400.00	\$ (37,447.69)
Student Transportation Services	26,827.26	30,615.00	(3,787.74)
Total Expenditures	<u>578,779.57</u>	<u>\$ 620,015.00</u>	<u>\$ (41,235.43)</u>
Receipts Over(Under) Expenditures	(74,630.38)		
Unencumbered Cash, Beginning	<u>109,874.37</u>		
Unencumbered Cash, Ending	<u>\$ 35,243.99</u>		

UNIFIED SCHOOL DISTRICT #235

UNIONTOWN, KANSAS

VOCATIONAL EDUCATION FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	Current Year		Variance - Over (Under)
	Actual	Budget	
Receipts			
Operating Transfer from Other Funds			
General Fund	\$ 35,000.00	\$ 35,000.00	\$ -
Supplement General Fund	122,475.00	118,000.00	4,475.00
Total Receipts	157,475.00	\$ 153,000.00	\$ 4,475.00
Expenditures			
Instruction	141,658.13	\$ 175,793.00	\$ (34,134.87)
Total Expenditures	141,658.13	\$ 175,793.00	\$ (34,134.87)
Receipts Over(Under) Expenditures	15,816.87		
Unencumbered Cash, Beginning	40,106.72		
Unencumbered Cash, Ending	\$ 55,923.59		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
GIFTS AND GRANTS FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	<u>Current Year Actual</u>
Receipts	
Local Sources	
Other	\$ 222,281.25
Federal Sources	
REAP Grant	<u>14,908.72</u>
Total Receipts	<u>237,189.97</u>
Expenditures	
Instruction	157,982.66
Support Services	<u>55,896.90</u>
Total Expenditures	<u>213,879.56</u>
Receipts Over(Under) Expenditures	23,310.41
Unencumbered Cash, Beginning	<u>139,122.31</u>
Unencumbered Cash, Ending	<u><u>\$ 162,432.72</u></u>

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
KPERS RETIREMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	Current Year		Variance - Over (Under)
	Actual	Budget	
Receipts			
State Sources			
KPERS aid	\$ 301,243.19	\$ 332,638.00	\$ (31,394.81)
Total Receipts	<u>301,243.19</u>	<u>\$ 332,638.00</u>	<u>\$ (31,394.81)</u>
Expenditures			
Instruction	212,376.44	\$ 223,000.00	\$ (10,623.56)
Support Services			
Student Support	13,857.19	18,860.00	(5,002.81)
Instructional Support	2,409.94	4,410.00	(2,000.06)
General Administration	15,363.41	20,355.00	(4,991.59)
School Administration	23,798.22	28,800.00	(5,001.78)
Operations and Maintenance	11,748.49	13,743.00	(1,994.51)
Transportation	13,555.95	14,600.00	(1,044.05)
Food Service	8,133.55	8,870.00	(736.45)
Total Expenditures	<u>301,243.19</u>	<u>\$ 332,638.00</u>	<u>\$ (31,394.81)</u>
Receipts Over(Under) Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
CONTINGENCY RESERVE FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	<u>Current Year Actual</u>
Receipts	
Operating Transfer from General Fund	<u>\$ 113,525.00</u>
Total Receipts	<u>113,525.00</u>
Expenditures	
Support Services	<u>121,187.46</u>
Total Expenditures	<u>121,187.46</u>
Receipts Over(Under) Expenditures	(7,662.46)
Unencumbered Cash, Beginning	<u>299,081.06</u>
Unencumbered Cash, Ending	<u><u>\$ 291,418.60</u></u>

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
TITLE I FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	<u>Current</u> <u>Year</u> <u>Actual</u>
Receipts	
Federal Sources	
Federal aid	<u>\$ 124,922.00</u>
Total Receipts	<u>124,922.00</u>
Expenditures	
Instruction	<u>119,572.63</u>
Total Expenditures	<u>119,572.63</u>
Receipts Over(Under) Expenditures	5,349.37
Unencumbered Cash, Beginning	<u>3,651.63</u>
Unencumbered Cash, Ending	<u><u>\$ 9,001.00</u></u>

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
TITLE II A TEACHER QUALITY FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	<u>Current Year Actual</u>
Receipts	
Federal Sources	
Federal aid	<u>\$ 28,789.00</u>
Total Receipts	<u>28,789.00</u>
Expenditures	
Instruction	<u>28,789.00</u>
Total Expenditures	<u>28,789.00</u>
Receipts Over(Under) Expenditures	-
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
BOND AND INTEREST FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	Current Year		Variance - Over (Under)
	Actual	Budget	
Receipts			
Local Sources			
Ad Valorem property tax	\$ 17,339.53	\$ 15,643.00	\$ 1,696.53
Delinquent tax	2,257.35	1,012.00	1,245.35
Interest	-	-	-
Other	-	-	-
County Sources			
Motor vehicle tax	7,875.70	5,867.00	2,008.70
State Sources			
State aid	91,354.00	91,354.00	-
Total Receipts	<u>118,826.58</u>	<u>\$ 113,876.00</u>	<u>\$ 4,950.58</u>
Expenditures			
Debt Service			
Principal	125,000.00	\$ 125,000.00	\$ -
Interest	35,270.00	35,270.00	-
Other	-	-	-
Total Expenditures	<u>160,270.00</u>	<u>\$ 160,270.00</u>	<u>\$ -</u>
Receipts Over(Under) Expenditures	(41,443.42)		
Unencumbered Cash, Beginning	<u>149,544.03</u>		
Unencumbered Cash, Ending	<u>\$ 108,100.61</u>		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
BENNETT MEMORIAL SCHOLARSHIP FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	<u>Current Year Actual</u>
Receipts	
Local Sources	
Interest	<u>\$ 306.04</u>
Total Receipts	<u>306.04</u>
Expenditures	
Scholarships	<u>2,505.18</u>
Total Expenditures	<u>2,505.18</u>
Receipts Over(Under) Expenditures	(2,199.14)
Unencumbered Cash, Beginning	<u>58,510.67</u>
Unencumbered Cash, Ending	<u><u>\$ 56,311.53</u></u>

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
AGENCY FUNDS

Summary of Receipts and Disbursements - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Agency Funds				
Student Organizations				
High School	\$ 31,740.42	\$ 127,038.61	\$ 120,807.20	\$ 37,971.83
Elementary School	9,014.51	23,141.74	27,280.62	4,875.63
Total Agency Funds	<u>\$ 40,754.93</u>	<u>\$ 150,180.35</u>	<u>\$ 148,087.82</u>	<u>\$ 42,847.46</u>

Schedule 4

**UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
DISTRICT ACTIVITY FUNDS**

Schedule of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis
For the Fiscal Year Ended June 30, 2014

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add		Ending Cash Balance June 30, 2014
					Encumbrances and Accounts Payable		
Gate Receipts							
High School - Athletics	\$ (2,551.33)	\$ 23,332.91	\$ 21,422.45	\$ (640.87)	\$ -		\$ (640.87)
Total Gate Receipts	(2,551.33)	23,332.91	21,422.45	(640.87)	-		(640.87)
Total District Activity Funds	\$ (2,551.33)	\$ 23,332.91	\$ 21,422.45	\$ (640.87)	\$ -		\$ (640.87)